

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

COMMITTEE ON APPROPRIATIONS

Call to Order: By **CHAIRMAN DAVE LEWIS**, on March 17, 2003 at 8:20 A.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. Dave Lewis, Chairman (R)
Rep. Rosalie (Rosie) Buzzas, Vice Chairman (D)
Rep. Edith Clark, Vice Chairman (R)
Rep. John Brueggeman (R)
Rep. Tim Callahan (D)
Rep. Stanley (Stan) Fisher (R)
Rep. Eve Franklin (D)
Rep. Dick Haines (R)
Rep. Donald L. Hedges (R)
Rep. Joey Jayne (D)
Rep. Carol C. Juneau (D)
Rep. Dave Kasten (R)
Rep. Christine Kaufmann (D)
Rep. Monica Lindeen (D)
Rep. John Musgrove (D)
Rep. Jeff Pattison (R)
Rep. Rick Ripley (R)
Rep. John Sinrud (R)
Rep. John Witt (R)

Members Excused: None.

Members Absent: None.

Staff Present: Jon Moe, Legislative Branch
Mary Lou Schmitz, Committee Secretary

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: HB 736, HB 738, HB 743, HB 744, HB 745, 3/7/2003

Executive Action: HB 558, HB 628, HB 685, HB 705, HB
743, HB 744, HB 687, HB 726, HB 741

HEARING ON HB 736

Sponsor: REP. ROY BROWN, HD 14, Billings

Opening Statement by Sponsor:

REP. BROWN said this bill comes with the support of the Governor, support of public education, the Office of Public Instruction (OPI), the MEA/MFT, MQEC and other school groups. The legislature, the Governor and the Board of Public Education want to establish a commission for a number of reasons:

1) the repeated adjustment, revisions, and court decisions regarding education, governance and funding systems in Montana make it difficult for educators and parents to understand the education in Montana.

2) because of concerns about Montana's education infrastructure's ability to meet its Constitutional obligation to provide for an effective and efficient system for free quality public education; elementary and secondary.

The intention is to have the legislature form a Commission to propose changes and new provisions regarding components of K-12 public education, such as the revenue available for public education, the structure of school district governance, the methods of funding public education, the role of the state government in public education, and the role of federal government in public education. The Commission will have a core membership which will include: the Governor, the Chair of the Board of Public Education, the Superintendent of Public Instruction, Speaker of the House, the President of the Senate, the House and Senate Minority Leaders or their designees.

The bill also includes a \$10,000 appropriation and this is start-up money. The Governor's office will raise any additional funds that are needed, through the private sector.

The parents, educators, students, and taxpayers of Montana expect our school system to be strong. This Commission will help do just that.

Proponents' Testimony:

Kirk Miller, Chairman, Montana Board of Public Education read testimony from Exhibits 1 and 2.

EXHIBIT (aph56a01)

EXHIBIT (aph56a02)

Governor Judy Martz, Governor of Montana, said she is proud to partner with a group of Montanans that epitomize public service on this project. The Montana Board of Public Education always works with the best interest of the students in mind. She is honored they are willing to work with her office, the Office of Public Instruction and the education community to make this Commission a reality. This is truly a bipartisan bill.

Jack Copps, Executive Director, Montana Quality Education Coalition, said the need for this Commission is truly obvious.

Derek Duncan, Student Representative, Montana Board of Public Education.

Madalyn Quinlan, representing State Superintendent of Public Instruction.

Erik Burke, MEA/MFT.

Bob Vogel, Montana School Boards' Association and Montana Rural Education Association.

REP. DAVE WANZENRIED, HD 68, Missoula.

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

{Tape: 1; Side: A; Approx. Time Counter: 0 - 29.5}

REP. KASTEN referred to HB 704 which he believes would help take a look at what they are trying to do with K-12 education. Hopefully, the study commission will take a look at charter schools. **REP. BROWN** said it is obvious they need to look at everything, including charter schools for this commission.

REP. PATTISON referred to the bill, Page 2, lines 19-23, "getting assistance from other agencies and accepting donations." **REP. BROWN** said there will definitely be some costs involved with this

commission, including the staff, research, and possibly some legal help.

REP. RIPLEY referred to Exhibit 1, the four concepts recommended by Mr. Miller. He thinks basic education needs to be defined before it can be funded adequately or be accountable for what they are educating. Without a definition to basic education they are just going to come back with a study and a few recommendations, which have been done in the past, and yet they never seem to come up with any solutions. **Mr. Miller** said those are things they contemplate all the time at the Board of Public Education level. They do have a definition of basic education in Montana but not so sure they define a quality education. The basic education in Montana is defined by the accreditation standards. Most recently there was a commissioned study that came up with the adequacy of funding the Montana Public School accreditation standards as well as the federal requirements that are currently on the books. The results of that study have been made available.

In response to a question from **REP. JUNEAU, REP. BROWN** said he would guess that most of the people that are on this Commission are parents and students but would not be opposed to adding people of certain types because the bill says they are going to identify at least 10 more and not more than 25, to join this Commission.

REP. MUSGROVE referred a question to Senator Tester, asking, "What will this commission accomplish?" **Senator Jon Tester, SD 45, Minority Leader in the Senate**, said he is here to lend his support and the Commission will be a right step in the right direction.

Closing by Sponsor:

REP. BROWN closed the hearing on HB 736.

HEARING ON HB 738

Sponsor: **REP. JILL COHENOUR, HD 51, East Helena**

Opening Statement by Sponsor:

REP. COHENOUR said this bill establishes a pool for uninsured and under-insured motorists in the low income range. There are two classes of people. Those who can't afford insurance and those who won't buy it. This is a way to bring forth some monetary support for those who cannot afford it. The bill takes \$1 per

license plate that is sold in the state of Montana per registration and will put it into a fund and 90% of that would go toward establishing this program. The State Auditor's office would administer this program.

Proponents' Testimony:

Mary Caferro, representing WEEL, stood in support of the bill.

Angela Huschka, State Auditor's Office, said this bill provides for the Insurance Commissioner in the Insurance Department to design and operate a plan, after consultation with insurance companies authorized to issue motor vehicle liability insurance, and low-income advocacy groups.

Betty Whiting, Montana Association of Churches, said her association is in strong support of HB 738.

Jacqueline Lenmark, representing the American Insurance Association, as well as Sue Weingartner, Alliance of Independent Insurers, handed out and explained Exhibit 3.

EXHIBIT (aph56a03)

{Tape: 1; Side: B; Approx. Time Counter: 0 - 28.5}

Greg Van Horssen, State Farm Insurance

Jon Metropolous, Farmers Insurance Group and National Association of Independent Insurers.

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

REPS. JAYNE, SINRUD, HAINES, LINDEEN, HEDGES and RIPLEY addressed questions and suggestions to Ms. Lenmark, Mr. Metropolous, REP. COHENOUR and Ms. Huschka.

Closing by Sponsor:

REP. COHENOUR said this bill may not address every issue that was brought up but it is a good start and has good support. She will bring amendments into a single amendment. She closed the hearing on HB 738.

HEARING ON HB 745

Sponsor: REP. EVE FRANKLIN, HD 42, Great Falls

Opening Statement by Sponsor:

REP. FRANKLIN said this bill is a product of work that was done in outgrowth of the Governor and Attorney General's interim committee on drug abuse prevention and policy. Currently there are three homes; one in Missoula, one in Great Falls and one in Billings. These have funding that come from some federal grant sources, Addiction Mental Disorder Division (AMDD), and partially Temporary Assistance to Needy Families (TANF) funds that were directed toward those purposes. **REP. FRANKLIN** explained Exhibit 4.

EXHIBIT (aph56a04)

Proponents' Testimony:

SENATOR DUANE GRIMES, SD 20, Clancy, referred to several newspaper articles and reports relating 90% of crimes to meth and spreading throughout the state. The challenges are acute but the committee should be aware of the policy side of the nature of epidemic in the communities. There are even worse drugs that usually follow in meth's wake. They are instantly addictive and instantly debilitating as well.

SENATOR TRUDI SCHMIDT, SD 21, Great Falls, said the problem is critical in the state and we need to be addressing it on all fronts and all avenues. Treating women with children is significant so these children become exposed to more healthy environments and not become part of the correctional system.

Trish Lincoln, Case Manager, Carole Graham Home, Missoula.

Kristi Blazer, Rimrock Foundation, a Chemical Dependency provider in Billings, read testimony from Exhibit 5.

EXHIBIT (aph56a05)

Ali Bovington, Assistant Attorney General, Department of Justice.

Linda Blankenship, Gateway Recovery Home, Great Falls.

Kristina Bundy, Carole Graham Home, Missoula.

Mindy Sager, Carole Graham Home, Missoula

Betty Whiting, Montana Association of Churches.

Sami Butler, Registered Nurse, Montana Nurses' Association.

Chris Christiaens, Montana Chapter, National Association of Social Workers.

{Tape: 2; Side: B; Approx. Time Counter: 0 - 29.6}

Opponents' Testimony: None

Informational Testimony:

Roland Mena, representing the Governor's Task Force, works for the AMDD of the DPHHS and is available for any questions.

Questions from Committee Members and Responses:

REP. KASTEN asked Mr. Mena if this bill is necessary. **Mr. Mena** said they can continue to work within the budget structure they have. What this bill does is request additional funding to add two more of these homes. Without this they will continue with the three homes they have now and continue and develop to match programs they have within their funding structure.

REP. PATTISON asked if there would be any possibility of a federal match for funding this? **Mr. Mena** said, "For the room and board expenses, which this budget requests, Medicaid does not cover. The therapy the women receive is covered by Medicaid, if the women are eligible. They have projected \$225,000 for room and board."

In response to a question from **REP. FISHER, Joe Williams, Department of Corrections,** said the meth addiction usually starts in families. Economic status is a certain part of it, and the underlying theme of all of this is the self-esteem issue. People look for alternatives to find a way out of society. Prevention is a great start.

REP. CALLAHAN said the meth addiction needs a specific program, a long term, intensive program. It is different than any of the things they have tried previously. He supports the bill.

REPS. JUNEAU, PATTISON, RIPLEY, and KAUFMANN asked Mr. Mena for additional information and data to study.

CHAIRMAN LEWIS said, "There is total agreement that meth addiction is a major problem but in this bill they are being asked to fund \$1 million. How can this help make a difference?"

REP. FRANKLIN said obviously these programs are new so there are only two years' data.

{Tape: 3; Side: A; Approx. Time Counter: 0 - 29.7}

Not all families who find themselves in this situation have extended families who can provide the kind of care that we hope will be available. That isn't necessarily the case in many families so they are looking at the dollar cost. They know what the human cost is for small children who don't have a safe environment. Look at the direct relationship between incarcerated women and then, from the human perspective, this is an incredibly fragile time for children.

Closing by Sponsor:

REP. FRANKLIN closed the hearing on HB 745.

HEARING ON HB 743

Sponsor: **REP. EDITH CLARK, HD 88, Sweetgrass**

Opening Statement by Sponsor:

REP. CLARK said this bill extends the nursing home bed tax through the Montana Mental Health Nursing Care Center in Lewistown. This bill proposes that this facility can be included in the nursing home bed tax since the original home bed tax bill excluded these facilities because they had to do with mental disease and the Montana Mental Health Nursing Care Center does deal with people with mental illnesses. By bringing this facility into the bed tax it will raise approximately \$150,000 in new revenue at the current bed tax rate. The tax can be raised without any new cost to the General Fund.

Proponents' Testimony:

Chuck Hunter, Department of Public Health and Human Services, said they saw this as revenue available that could help the budget plight. There are amendments, General Fund, to provide the money to pay the fee, state special money to allow the department to have the remainder, federal special to allow the match with Medicaid.

Steve Yeakel, Montana Council Maternal and Child Health, supports the bill and hopes the committee will too.

Wally Melcher, Montana Association of Independent Disability Services.

Betty Whiting, Montana Association of Churches.

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses: None

Closing by Sponsor:

REP. CLARK said this is new revenue and it does not increase the taxes on Montana. The sponsor then closed the hearing on HB 743.

HEARING ON HB 744

Sponsor: **REP. EDITH CLARK, HD 88, Sweetgrass**

Opening Statement by Sponsor:

REP. CLARK said this bill directs the Department of Health and Human Services to continue the work of the refinancing unit established in HB 2 during the recent special session. The main purpose of refinance work is to seek federal funds to offset General Fund expenditures. The bill provides direction and a priority listing of how the department may apply General Fund savings:

- 1) to fund the refinancing activities, in essence they fund themselves,
- _____ 2) to maintain existing services,
- 3) to reinstate services that were cut during the 2003 biennium,
- 4) to return excess funds to the General Fund.

The department must have the approval of the Budget Office before it can reinstate any services.

This bill amends the Appropriations' Act to allow the department to use the General Fund savings in a manner outlined above.

Proponents' Testimony:

Chuck Hunter, Department of Public Health and Human Services, said they do have expectations of generating about \$4.8 million in General Fund savings each year. He handed out and explained Exhibit 6.

EXHIBIT (aph56a06)

Wally Melcher, Montana Association of Independent Disability Services.

Steve Yeakel, Montana Council Maternal and Child Health.

Jani McCall, Deaconess Billings Clinic, and Montana Children's Initiative.

Betty Whiting, Montana Association of Churches.

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

REPS. HEDGES, SINRUD, and BUZZAS asked Mr. Hunter for further explanation of Exhibit 6.

Closing by Sponsor:

REP. CLARK said refinancing takes time and a very dedicated effort. There are long term benefits in developing refinancing expertise. The sponsor closed the hearing on HB 744.

CHAIRMAN LEWIS announced the committee would be in recess until adjournment of the House session.

The meeting re-convened at 3:00 p.m.

EXECUTIVE ACTION ON HB 558

Motion: **REP. JUNEAU** moved that HB 558 DO PASS.

Motion: **REP. JUNEAU** moved that HB 558 BE AMENDED, HB055801.ate, TO INCREASE THE FEE TO \$50 FOR OUT-OF-STATE SNOWMOBILERS.

Discussion:

REP. MUSGROVE said he was concerned about the fee increase and asked REP. JUNEAU if she had discussed it with REP. DEE BROWN, the sponsor. REP. JUNEAU said she didn't discuss this with her but in terms of her questions during the hearing, that REP. BROWN is aware of her intentions.

REP. BUZZAS spoke in favor of the amendment.

{Tape: 3; Side: B; Approx. Time Counter: 0 - 27.2}

REPS. HEDGES, PATTISON, FISHER, and KAUFMANN discussed the amendment at length and spoke for and against the amendment.

Vote: Motion on Amendment HB055801.ate failed 8-11 with REPS. CLARK, BUZZAS, CALLAHAN, FRANKLIN, JAYNE, JUNEAU, KAUFMANN and LINDEEN voting yes on a roll call vote.

Motion: REP. JUNEAU moved that HB 558 BE CONCEPTUALLY AMENDED to INCREASE THE FEE TO \$35 FOR OUT-OF-STATE SNOWMOBILERS.

Discussion:

REPS. KASTEN, JAYNE, and JUNEAU spoke for and against the amendment.

Vote: Motion on Conceptual Amendment failed 9-10 with REPS. CLARK, BUZZAS, CALLAHAN, FRANKLIN, JAYNE, JUNEAU, KAUFMANN, LINDEEN and MUSGROVE voting yes on a roll call vote.

Motion/Vote: REP. PATTISON moved that HB 558 BE AMENDED TO COORDINATE CONFLICT BETWEEN SB 112 AND HB 558. Motion carried unanimously 19-0 on a voice vote.

Motion/Vote: REP. JUNEAU moved that HB 558 DO PASS AS AMENDED. Motion carried 15-4 with REPS. BUZZAS, JAYNE, JUNEAU and LINDEEN voting no on a voice vote.

EXECUTIVE ACTION ON HB 628

Motion: REP. KASTEN moved that HB 628 DO PASS.

Motion: REP. KASTEN moved that HB 628 BE AMENDED, HB062803.amv.

Discussion:

REP. BUZZAS asked **REP. KASTEN** if this is legitimate use of that money. **REP. KASTEN** said, "Yes, it is."

REP. KAUFMANN spoke in favor of the amendment.

Vote: Motion on amendment carried 16-3 with **REPS. FISHER, RIPLEY** and **SINRUD** voting no on a voice vote.

Motion/Vote: **REP. KASTEN** moved that HB 628 DO PASS AS AMENDED. Motion carried 15-4 with **REPS. FISHER, RIPLEY, SINRUD** and **WITT** voting no on a voice vote.

EXECUTIVE ACTION ON HB 685

Motion: **REP. RIPLEY** moved that HB 685 DO PASS.

Discussion:

REP. MENDENHALL, sponsor of the bill, said the director of the program spoke to DPHHS and negotiated a better rate for one of the programs that makes staff more solid. They think the program is still viable.

Motion: **REP. BUZZAS** moved that HB 685 BE AMENDED, HB068503.ace, LINES 24 AND 25, TO ADD LANGUAGE "AND EMPLOYED BY THE SCHOOL DISTRICT THAT INCLUDES THE STUDENTS IN ITS ENROLLMENT".

Discussion:

REP. CALLAHAN said his recollection from the discussion when the bill was heard, is that if this amendment goes on, it would not help the situation.

REPS. KASTEN and **HEDGES** spoke in opposition to the amendment.

CHAIRMAN LEWIS said right now the fiscal note is \$107,000 a year. If the amendment is adopted, it takes the fiscal note to zero because they are school district employees rather than having to be funded through ANB.

REPS. FRANKLIN, FISHER, RIPLEY, and **BUZZAS**, discussed the amendment further and voiced reasons they are for and against.

{Tape: 4; Side: A; Approx. Time Counter: 0 - 28.9}

REPS. RIPLEY, BUZZAS, HEDGES, and LEWIS deferred to Robert Runkel, Division Administrator, Special Education Division, Office of Public Instruction (OPI), for clarification. **Mr. Runkel** said, "Presently the contract, that OPI does not have, is between Jefferson County High School and Alternative Youth Adventures (AYA). At this point, the only revenue that is helping hold it together is money that is appropriated under HB 2 for instate residential psychiatric facilities. That ending balance that is left over is available to be distributed to schools for high risk, high needs children with physical and emotional needs. Money is now being sent to Boulder School District. They have in turn contracted with that money to AYA to hold it together for this year. This bill actually accomplishes something similar except that the money they are now getting is so tenuous, depending upon the circumstance of a particular year, it actually clarifies that the public school would be able to collect Average Number Belonging (ANB) and count those children as enrolled."

REP. PATTISON referred a question to Kim Gardner, Director, AYA, who said, "They have five certified teachers in five different classrooms. Two of them are in treatment classrooms. They do provide an educational setting."

REP. SINRUD spoke in opposition to the amendment.

Vote: Motion on amendment HB068503.ace failed 4-15 with **REPS. BUZZAS, HAINES, JAYNE and JUNEAU** voting yes on a roll call vote.

Motion/Vote: **REP. SINRUD** moved that HB 685 BE AMENDED, HB068502.ace TO CHANGE LANGUAGE, STRIKE SUBSECTION 3, THE ACCREDITATION STANDARD. Motion carried unanimously 19-0 on a voice vote.

Motion: **REP. RIPLEY** moved that HB 685 DO PASS AS AMENDED.

Discussion:

REPS. FISHER, BUZZAS, and FRANKLIN referred further questions to Mr. Runkel and Ms. Gardner for discussion.

CHAIRMAN LEWIS commented that he would have to vote no on the bill because of the fiscal note.

REP. RIPLEY closed on his motion.

Vote: Motion carried 13-6 with **REPS. LEWIS, BUZZAS, FISHER, HAINES, JAYNE and JUNEAU** voting no on a roll call vote.

EXECUTIVE ACTION ON HB 705

Motion: REP. CLARK moved that HB 705 DO PASS.

{Tape: 4; Side: B; Approx. Time Counter: 0 - 28.8}

Discussion:

REP. CLARK said this bill proposes raising a fee \$1.70 in 2004 and .80 cents in 2005. The current user fee, which is \$2.80, will continue to go to the state General Fund and used to maintain the current base rate. This is for nursing, paid by nursing home facilities.

CHAIRMAN LEWIS said basically the nursing homes are paid \$3.499 million in fees the first year to the state. The state would match it with \$9 million worth of Medicaid money and send it back to the nursing homes.

Motion/Vote: REP. CLARK moved that HB 705 BE AMENDED, HB070501.asb, Exhibit 7. Motion carried unanimously 19-0 on a voice vote.

EXHIBIT(aph56a07)

Motion/Vote: REP. CLARK moved that HB 705 DO PASS AS AMENDED. Motion carried unanimously 19-0 on a voice vote.

EXECUTIVE ACTION ON HB 743

Motion: REP. CLARK moved that HB 743 DO PASS.

Motion/Vote: REP. CLARK moved that HB 743 BE AMENDED, HB074301.asb, Exhibit 8. Motion carried unanimously 19-0 on a voice vote.

EXHIBIT(aph56a08)

Motion/Vote: REP. CLARK moved that HB 743 BE AMENDED, HB074302.asb, Exhibit 9. Motion carried unanimously 19-0 on a voice vote.

EXHIBIT(aph56a09)

Motion/Vote: REP. CLARK moved that HB 743 DO PASS AS AMENDED. Motion carried unanimously 19-0 on a voice vote.

EXECUTIVE ACTION ON HB 744

Motion: REP. CLARK moved that HB 744 DO PASS.

Motion/Vote: REP. CLARK moved that HB 744 BE AMENDED,
HB074401.asb. Motion carried unanimously 19-0 on a voice vote.

Motion/Vote: REP. CLARK moved that HB 744 DO PASS AS AMENDED.
Motion carried unanimously 19-0 on a voice vote.

EXECUTIVE ACTION ON HB 687

Motion: REP. LINDEEN moved that HB 687 DO PASS.

Motion/Vote: REP. FISHER moved that HB 687 BE TABLED. Motion
carried 11-8 with REPS. BUZZAS, CALLAHAN, FRANKLIN, HAINES,
JAYNE, KAUFMANN, LINDEEN and MUSGROVE voting no on a roll call
vote.

EXECUTIVE ACTION ON HB 726

Motion: REP. KAUFMANN moved that HB 726 DO PASS.

Discussion:

REP. KAUFMANN said this is a bill that says the State of Montana
will provide Medicaid services to 18 to 21 year-olds that are
terminated from foster care placement by the state.

REP. CLARK said this is a new program and she cannot vote for a
new program.

REP. HAINES feels this program will cost the state more in the
long-run.

{Tape: 5; Side: A; Approx. Time Counter: 0 - 29.4}

REPS. SINRUD, JUNEAU, BUZZAS, LEWIS and KAUFMANN discussed the
bill and why they would vote for and against.

Vote: Motion carried 10-9 with REPS. LEWIS, CLARK, BRUEGGEMAN,
FISHER, KASTEN, PATTISON, RIPLEY, SINRUD, and WITT voting no on a
roll call vote.

EXECUTIVE ACTION ON HB 741

Motion/Vote: REP. LINDEEN moved that HB 741 DO PASS. Motion carried unanimously 19-0 on a voice vote.

{Tape: 5; Side: B; Approx. Time Counter: 0 - 9}

ADJOURNMENT

Adjournment: 4:50 P.M.

REP. DAVE LEWIS, Chairman

MARY LOU SCHMITZ, Secretary

DL/MS

EXHIBIT (aph56aad)